

Organizers:



# Proactive Risk Management *for* New Products Development

## 外國專家教授 - 新產品開發風險及危機管理

*Early bird registered & paid on or before 5<sup>th</sup> January will be entitled to a complimentary copy of Dr. Preston Smith's publication - **Proactive Risk Management**, by Productivity Press.*

### **Why New Products Development so Costly?**

Too many product development projects experience difficulties that could have been avoided. These problems often surface late in the project, when they are most **disruptive** and most difficult and **costly** to resolve. Because **product innovation inherently involves risk**, the objective of this workshop is not to avoid risk but to **identify project risks early in the project and work methodically to avert the most serious ones.**

### **Five-Step Development Process for Success!**

You will work through a **five-step process** of **identifying, assessing, prioritizing, planning for, and monitoring** project risks by applying this process to a case-study project. This process is based on a very useful model of a risk that gives you an X-ray view of the factors critical to resolving the risk, rather than just treating its symptoms.

This case study, plus supporting material on the risk model, the process, and supporting tools and approaches, will provide what you need to **implement an effective risk management program** on your next project and, hopefully, institutionalize it for all future projects in your organization.

23 & 24 January – Hong Kong Productivity Council

### **Who should attend?**

- Project managers and team leaders in new manufacturing products and software development
- Managers responsible for improving product development practices
- Project managers outside of product development-such as IT managers or construction managers-who wish to manage risk in their projects better

### **Course Objectives:**

The core of this workshop is a **case study that participants will follow to manage the risks of a certain product development project.** Small groups will develop **action plans** for this project with **periodic sharing between groups** to expose alternative solutions to the same case. This case study will be preceded and supplemented by lectures on the principles of the risk management process, critical points to avoid, tools and approaches to support the process, and guidance on implementing the process in your organization.

In addition, some critical new skills will be reinforced through specific exercises. This workshop will prepare participants to implement an effective project risk management process in their organization.

**Specifically, it will:**

- Give hands-on experience in risk management process and sensitize them to the pitfalls involved,
- Provide supplementary information allowing them to modify the process to their organization's culture and needs,
- Offer supporting tools and approaches.

**Course Outline**

What is risk and how is it managed?

- Expanding beyond technical risks
- Key earmarks of a risk
- Risk management opposed to fire fighting
- Remaining mindful of the opportunity side of risk

Using project risk models

- Standard risk model
- Other models
- Pros and cons of each model

The project risk management process

- Overview of the process
- Adapting the process to your organization's needs

Identifying project risks

- How early to identify project risks
- Alternative means of identifying risks (and when to use each method)
- Balancing optimism and pessimism
- Application to core case study

Analyzing risks

- Identifying and formulating risk drivers
- Estimating probabilities
- Calculating expected loss
- Application to core case study

Prioritizing and mapping risks

- Prioritization process
- Applying judgment to a numerical ranking
- Using a risk map
- Application to core case study

Planning resolution of targeted risks

- Types of action plans
- Emphasizing proactive plans
- Balancing a plan's benefits with its costs
- Application to core case study

Monitoring project risks

- Tracking progress on resolution
- Scanning for new risks
- Risk management metrics and data management
- Application to core case study

Risk management toolkit

- Sticky density
- Spreadsheets
- Decision analysis
- Risk simulation
- Design structure matrix

Risk management approaches and strategies

- Avoiding risk
- Remaining flexible
- Keeping in touch with customers
- Staying proactive
- Viewing failure productively

Implementing project risk management

- Fitting risk management into project management
- Training needs
- Countering fire fighting behavior
- Maintaining perspective
- Continuous improvement

**Your Expert Instructor – Dr. Preston Smith**

Dr. Preston Smith - the former **Rocket Scientist of NASA**, **Ph.D. in engineering from Stanford University**, member of the Product Development and Management Association (PDMA) and the Society of Concurrent Product Development (SCPD), has been specializing in rapid product

development since 1984, and earned **Certified Management Consultant (CMC)** standing in 1990. **He has led more than 100 workshops in 23 countries worldwide** on advanced product development topics and has taught product development courses at several Universities.

Companies who have attended his workshops include: **General Electric, Sony, Lenovo, Nestle, Philips, Samsung, DaimlerChrysler, and Honeywell.** Over a **twenty-year period**, he held engineering and management positions with **Boeing, Pratt & Whitney Aircraft, IBM, Lucent Technologies, and General Motors Research Laboratories.**

**Publications:** Amazon.com consistently ranks Preston's book below among the **three most popular product development** titles. **Over 100,000 copies** are used by management in many industries.

1. **Developing Products in Half the Time**: *New Rules, New Tools* - John Wiley & Sons, 1998.
2. **Proactive Risk Management**: *Controlling Uncertainty in Product Development* - Productivity Press